

US Dollar Liquidity Facility Summary of Terms

Important notice: This Summary should be read in conjunction with Circular dated 22 April 2020.

Total amount	US\$10 billion
Tenor	7 days ¹
Target participants	Licensed Banks in Hong Kong ²
Transaction type	Repurchase transactions
Method	Competitive tenders (one valid bid by each participant)
Tender hours	09:00 to 12:00 noon Hong Kong Time (both times inclusive)
Submission	SWIFT MT599
Tender amount	Minimum US\$100 million, in integral multiples of US\$100 million
Interest rate	Minimum IOER rate ³ plus 25 basis points, rounded to 2 decimal places
Allotment	Based on competitiveness (i.e. in descending order from the highest to the lowest accepted interest rate), subject to limits to be imposed on HKMA's sole and absolute discretion to facilitate wide distribution of allotment among participants
Collateral	Exchange Fund Bills and Notes
Haircut	Exchange Fund Bills: minimum 2.5% Exchange Fund Notes: minimum 5% plus 1% per year of remaining maturity
Settlement Date	Business day immediately following Tender Date (T+1)
Collateral submission	By 14:00 Hong Kong Time on Settlement Date
USD payment	Within business hours US Eastern Standard Time on Settlement Date
Interest payable	Referenced to tendered interest rate based on actual/360 convention
USD Repayment	Principal plus Interest by 10:00 US Eastern Standard Time on Repayment Date
Collateral return	By 17:00 Hong Kong Time on business day immediately following Repayment Date
Penalty	HKMA has sole and absolute discretion to impose penalty on failed transfer of collateral or failed repayment
Enquires	General issues: +852 2878 8104 / USDfacility@hkma.iclnet.hk Settlement issues: +852 2878 8237 or 2878 1778 / settlementsection@hkma.gov.hk Tender submission issues: +852 2878 8146 to 8149 / cmu@hkma.gov.hk

(Updated on 22 April 2020)

¹ May vary due to intervening general holidays in Hong Kong or the US.

² Must have entered into Master Sale and Repurchase Agreement for Provision of Liquidity Assistance with HKMA.

³ Interest Rate on Excess Reserves set by Federal Reserve (<https://www.federalreserve.gov/monetarypolicy/reqresbalances.htm>).